(e) The criteria for appointment of the members of the Commission are that persons of eminence and expertise from sectors such as finance, industry, management, economics are given representation.

(f) The terms of reference of the Commission are as under:

(i) It shall be an advisory body and its role and function would be to advise the Government on Disinvestment in those public sector units that are referred to it by the Government.

(ii) It shall also advise the Government on any other matter relating to disinvestment as may specifically be referred to it by the Government, and also carry out any such other activities relating to disinvestment as may be assigned to it by the Government.

(iii) In making its recommendations, it will also take into consideration the interest of workers, employees and other stakeholders, in the public sector unit(s).

(iv) The final decision on the recommendations of the Disinvestment Commission will vest with the Government.

Disinvestment of Air India and Indian Airlines

2892. SHRI BALWANT SINGH RAMOOWALIA:
SHRI SHATRUGHAN SINHA:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have examined the reports of Parliamentary Standing Committees on Transport and Tourism and Finance while considering the finalization of Air India's disinvestment;

(b) whether the quantum of proposed reduction of Government's shareholding in Air India and Indian Airlines would be in equal percentage;

(c) if not, the reasons therefor; and

(d) the details of Government's future plans, if any, to sell its share-holdings in Air India and Indian Airlines to a strategic partner, and ratio of share holding to be sold?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The Government decided about disinvestment in Air India prior to the presentation of 44th Report (on

Air India disinvestment) of Parliamentary Standing Committee on Transport and Tourism. However, the issues raised in the report of the Committee had been given due consideration while taking this decision.

(b) No, Sir.

(c) The quantum of Proposed reduction of Government's shareholding in Air India was based on the recommendations of Disinvestment Commission, while in case of Indian Airlines it was based on the report of an Expert Committee.

(d) The details of the disinvestment plan in respect of Air India and Indian Airlines are as under:

Air India

(i) Government equity to be brought down to 40% through disinvestment process.

(ii) 40% of the equity to be disinvested in favour of a Strategic Partner (SP).

(iii) Up to 10% of the equity to be offered to employees.

(iv) The balance (10%) of equity to be sold to the financial institutions and/or on the share market.

(v) Foreign holding to be limited to a maximum of 26% of total equity if the SP is a Joint Venture with foreign holding.

Indian Airlines

(i) Government equity to be brought down to 49%.

(ii) 26% equity to be sold to a Strategic Partner (SP).

(iii) 25% equity to be sold to financial institutions, employees and other investors.

(iv) Foreign holding not to exceed 40% equity of the bidders, except for NRIs/NRIs controlled OCBs, if the SP is a Joint Venture with foreign holding.

Valuation of Air India

2893. SHRI BALWANT SINGH RAMOOWALIA:
SHRI SHATRUGHAN SINHA:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are aware that the Chairman of J. M. Morgan Stanley has been appointed a Director on the Board of a Tata Group Company;